

HOUSE BILL No. 1267

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33; IC 4-35-8; IC 21-12-10.

Synopsis: LIFE Scholarships. Establishes the Indiana lifelong learning incentive for excellence (LIFE) scholarship program to provide scholarships to Indiana residents for postsecondary education. Provides for administration of the program by the state student assistance commission. Sets forth the amount of a scholarship award, subject to appropriations of the general assembly. Provides eligibility criteria for potential recipients. Establishes the LIFE scholarship fund consisting of slot machine wagering taxes collected after June 30, 2009, and riverboat admissions taxes that would have otherwise been deposited into the state general fund as slot machine revenue replaced the admissions tax subsidy for horse racing. Reconciles conflicting versions of the riverboat tax distribution statutes. Makes an appropriation.

Effective: July 1, 2008.

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_____, read first time and referred to Committee on _____

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1267

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-33-12-6, AS AMENDED BY P.L.233-2007,
2 SECTION 16, AND AS AMENDED BY P.L.234-2007, SECTION
3 280, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) The department shall place
5 in the state general fund the tax revenue collected under this chapter.

6 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
7 the treasurer of state shall quarterly pay the following amounts:

8 (1) Except as provided in subsection (k), one dollar (\$1) of the
9 admissions tax collected by the licensed owner for each person
10 embarking on a gambling excursion during the quarter or
11 admitted to a riverboat that has implemented flexible scheduling
12 under IC 4-33-6-21 during the quarter shall be paid to:

13 (A) the city in which the riverboat is docked, if the city:

14 (i) is located in a county having a population of more than
15 one hundred ten thousand (110,000) but less than one
16 hundred fifteen thousand (115,000); or

17 (ii) is contiguous to the Ohio River and is the largest city in



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1 the county; and
 2 (B) the county in which the riverboat is docked, if the
 3 riverboat is not docked in a city described in clause (A).
 4 (2) Except as provided in subsection (k), one dollar (\$1) of the
 5 admissions tax collected by the licensed owner for each person:
 6 (A) embarking on a gambling excursion during the quarter; or
 7 (B) admitted to a riverboat during the quarter that has
 8 implemented flexible scheduling under IC 4-33-6-21;
 9 shall be paid to the county in which the riverboat is docked. In the
 10 case of a county described in subdivision (1)(B), this one dollar
 11 (\$1) is in addition to the one dollar (\$1) received under
 12 subdivision (1)(B).
 13 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 14 admissions tax collected by the licensed owner for each person:
 15 (A) embarking on a gambling excursion during the quarter; or
 16 (B) admitted to a riverboat during the quarter that has
 17 implemented flexible scheduling under IC 4-33-6-21;
 18 shall be paid to the county convention and visitors bureau or
 19 promotion fund for the county in which the riverboat is docked.
 20 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 21 the admissions tax collected by the licensed owner for each
 22 person:
 23 (A) embarking on a gambling excursion during the quarter; or
 24 (B) admitted to a riverboat during a quarter that has
 25 implemented flexible scheduling under IC 4-33-6-21;
 26 shall be paid to the state fair commission, for use in any activity
 27 that the commission is authorized to carry out under IC 15-1.5-3.
 28 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 29 admissions tax collected by the licensed owner for each person:
 30 (A) embarking on a gambling excursion during the quarter; or
 31 (B) admitted to a riverboat during the quarter that has
 32 implemented flexible scheduling under IC 4-33-6-21;
 33 shall be paid to the division of mental health and addiction. The
 34 division shall allocate at least twenty-five percent (25%) of the
 35 funds derived from the admissions tax to the prevention and
 36 treatment of compulsive gambling.
 37 (6) Except as provided in subsection (k) *and section 7 of this*
 38 *chapter*, sixty-five cents (\$0.65) of the admissions tax collected
 39 by the licensed owner for each person embarking on a gambling
 40 excursion during the quarter or admitted to a riverboat during the
 41 quarter that has implemented flexible scheduling under
 42 IC 4-33-6-21 shall be paid to the Indiana horse racing commission

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to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) ~~Twenty-five~~ Twenty-two percent ~~(25%)~~ (22%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) ~~Twenty~~ Twenty-two and seventy-five hundredths percent ~~(20%)~~ (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) ~~Twenty~~ Twenty-two and seventy-five hundredths percent ~~(20%)~~ (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county

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executive.

(C) ~~Sixty~~ Fifty-four and five-tenths percent ~~(60%)~~ (54.5%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. ~~The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body.~~

~~(ii)~~ (2) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

~~(iii)~~ (3) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

~~(2) Sixteen~~ (4) Twenty percent ~~(16%)~~ (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

~~The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission. At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.~~

~~(3) Nine~~ (5) Ten percent ~~(9%)~~ (10%) of the admissions tax collected during the quarter shall be paid to the ~~historic hotel preservation~~ Orange County development commission established under IC 36-7-11.5. At least one-third (1/3) of the taxes paid to the Orange County development commission under this subdivision must be transferred to the Orange County convention and visitors bureau.

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~~(4) Twenty-five~~ (6) Thirteen percent ~~(25%)~~ (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

~~(5) (7)~~ Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

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- 1 (A) embarking on a gambling excursion during the quarter; or
 2 (B) admitted to a riverboat during the quarter that has
 3 implemented flexible scheduling under IC 4-33-6-21;
 4 shall be paid to the county convention and visitors bureau or
 5 promotion fund for the county in which the riverboat is docked.
 6 (4) Except as provided in subsection (k), one cent (\$0.01) of the
 7 admissions tax collected by the licensed owner for each person:
 8 (A) embarking on a gambling excursion during the quarter; or
 9 (B) admitted to a riverboat during the quarter that has
 10 implemented flexible scheduling under IC 4-33-6-21;
 11 shall be paid to the northwest Indiana law enforcement training
 12 center.
 13 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
 14 the admissions tax collected by the licensed owner for each
 15 person:
 16 (A) embarking on a gambling excursion during the quarter; or
 17 (B) admitted to a riverboat during a quarter that has
 18 implemented flexible scheduling under IC 4-33-6-21;
 19 shall be paid to the state fair commission for use in any activity
 20 that the commission is authorized to carry out under IC 15-1.5-3.
 21 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
 22 admissions tax collected by the licensed owner for each person:
 23 (A) embarking on a gambling excursion during the quarter; or
 24 (B) admitted to a riverboat during the quarter that has
 25 implemented flexible scheduling under IC 4-33-6-21;
 26 shall be paid to the division of mental health and addiction. The
 27 division shall allocate at least twenty-five percent (25%) of the
 28 funds derived from the admissions tax to the prevention and
 29 treatment of compulsive gambling.
 30 (7) Except as provided in subsection (k) *and section 7 of this*
 31 *chapter*, sixty-five cents (\$0.65) of the admissions tax collected
 32 by the licensed owner for each person embarking on a gambling
 33 excursion during the quarter or admitted to a riverboat during the
 34 quarter that has implemented flexible scheduling under
 35 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
 36 to be distributed as follows, in amounts determined by the Indiana
 37 horse racing commission, for the promotion and operation of
 38 horse racing in Indiana:
 39 (A) To one (1) or more breed development funds established
 40 by the Indiana horse racing commission under IC 4-31-11-10.
 41 (B) To a racetrack that was approved by the Indiana horse
 42 racing commission under IC 4-31. The commission may make

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a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through ~~(c)(2)~~, (c)(4), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

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(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) ~~exceed~~ exceeds a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section; to the property tax replacement fund instead of to the entity.

SECTION 2. IC 4-33-12-7, AS ADDED BY P.L.233-2007, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The maximum amount paid to the Indiana horse racing commission under this article in a state fiscal year may not

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1 exceed the remainder of:

- 2 (1) the Indiana horse racing commission's base year revenue as
 3 determined under section 6(h) of this chapter; minus
 4 (2) the amount of money, if any, distributed by licensees under
 5 IC 4-35-7-12 to horsemen's associations and for horse racing
 6 purses and breed development in the state fiscal year.

7 (b) For each state fiscal year, the treasurer of state shall pay an
 8 amount equal to the lesser of:

- 9 (1) the amount of admissions taxes specified in:
 10 (A) section 6(b)(6) of this chapter; and
 11 (B) section 6(d)(7) of this chapter; or
 12 (2) the amount of money distributed under IC 4-35-7-12 that is
 13 subtracted from the Indiana horse racing commission's base year
 14 revenue under subsection (a);

15 to the ~~state general~~ **LIFE scholarship** fund **established by IC 4-35-8-5**
 16 instead of to the Indiana horse racing commission.

17 SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.233-2007,
 18 SECTION 19, AND AS AMENDED BY P.L.234-2007, SECTION
 19 281, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) This subsection does not
 21 apply to tax revenue remitted by an operating agent operating a
 22 riverboat in a historic hotel district. After funds are appropriated under
 23 section 4 of this chapter, each month the treasurer of state shall
 24 distribute the tax revenue deposited in the state gaming fund under this
 25 chapter to the following:

- 26 (1) The first thirty-three million dollars (\$33,000,000) of tax
 27 revenues collected under this chapter shall be set aside for
 28 revenue sharing under subsection (e).
 29 (2) Subject to subsection (c), twenty-five percent (25%) of the
 30 remaining tax revenue remitted by each licensed owner shall be
 31 paid:

32 (A) to the city that is designated as the home dock of the
 33 riverboat from which the tax revenue was collected, in the case
 34 of:

- 35 (i) a city described in IC 4-33-12-6(b)(1)(A); or
 36 (ii) a city located in a county having a population of more
 37 than four hundred thousand (400,000) but less than seven
 38 hundred thousand (700,000); or

39 (B) to the county that is designated as the home dock of the
 40 riverboat from which the tax revenue was collected, in the case
 41 of a riverboat whose home dock is not in a city described in
 42 clause (A).

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(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue *deposited in the state gaming fund remitted by the operating agent* under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(2) ~~Thirty-seven and one-half~~ Nineteen percent ~~(37.5%)~~ (19%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) ~~Five Eight~~ percent ~~(5%)~~ (8%) shall be paid to the *historic hotel preservation Orange County development* commission established under IC 36-7-11.5.

(4) ~~Ten Sixteen~~ percent ~~(10%)~~ (16%) shall be paid in equal amounts to each town that ~~(A)~~ is located in the county in which the riverboat docks and ~~(B)~~ contains a historic hotel. ~~The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission. The following apply to taxes received by a town under this subdivision:~~

(A) At least twenty-five percent (25%) of the taxes must be transferred to the school corporation in which the town is located.

(B) At least twelve and five-tenths percent (12.5%) of the taxes must be transferred to the Orange County convention and visitors bureau.

(5) ~~Ten Nine~~ percent ~~(10%)~~ (9%) shall be paid to the county

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1 treasurer of the county in which the riverboat is docked. The
 2 county treasurer shall distribute the money received under this
 3 subdivision as follows:

4 (A) ~~Twenty~~ *Twenty-two and twenty-five hundredths* percent
 5 ~~(20%)~~ (22.25%) shall be quarterly distributed to the county
 6 treasurer of a county having a population of more than
 7 thirty-nine thousand six hundred (39,600) but less than forty
 8 thousand (40,000) for appropriation by the county fiscal body
 9 after receiving a recommendation from the county executive.
 10 The county fiscal body for the receiving county shall provide
 11 for the distribution of the money received under this clause to
 12 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 13 the county under a formula established by the county fiscal
 14 body after receiving a recommendation from the county
 15 executive.

16 (B) ~~Twenty~~ *Twenty-two and twenty-five hundredths* percent
 17 ~~(20%)~~ (22.25%) shall be quarterly distributed to the county
 18 treasurer of a county having a population of more than ten
 19 thousand seven hundred (10,700) but less than twelve
 20 thousand (12,000) for appropriation by the county fiscal body
 21 after receiving a recommendation from the county executive.
 22 The county fiscal body for the receiving county shall provide
 23 for the distribution of the money received under this clause to
 24 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 25 the county under a formula established by the county fiscal
 26 body after receiving a recommendation from the county
 27 executive.

28 (C) ~~Sixty~~ *Fifty-five and five-tenths* percent ~~(60%)~~ (55.5%) shall
 29 be retained by the county where the riverboat is docked for
 30 appropriation by the county fiscal body after receiving a
 31 recommendation from the county executive. *The county fiscal*
 32 *body shall provide for the distribution of part or all of the*
 33 *money received under this clause to the following under a*
 34 *formula established by the county fiscal body.*

35 ~~(i)~~ (6) *Five percent (5%) shall be paid to* a town having a
 36 population of more than two thousand two hundred (2,200) but
 37 less than three thousand five hundred (3,500) located in a county
 38 having a population of more than nineteen thousand three
 39 hundred (19,300) but less than twenty thousand (20,000). *At least*
 40 *forty percent (40%) of the taxes received by a town under this*
 41 *subdivision must be transferred to the school corporation in*
 42 *which the town is located.*

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~~(iii)~~ (7) Five percent (5%) shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(8) Five-tenths percent (0.5%) shall be paid to the Orange County convention and visitors bureau.

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not

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1 have a riverboat according to the ratio that the county's population
 2 bears to the total population of the counties that do not have a
 3 riverboat. Except as provided in subsection (h), the county auditor shall
 4 distribute the money received by the county under this subsection as
 5 follows:

6 (1) To each city located in the county according to the ratio the
 7 city's population bears to the total population of the county.

8 (2) To each town located in the county according to the ratio the
 9 town's population bears to the total population of the county.

10 (3) After the distributions required in subdivisions (1) and (2) are
 11 made, the remainder shall be retained by the county.

12 (f) Money received by a city, town, or county under subsection (e)
 13 or (h) may be used for any of the following purposes:

14 (1) To reduce the property tax levy of the city, town, or county for
 15 a particular year (a property tax reduction under this subdivision
 16 does not reduce the maximum levy of the city, town, or county
 17 under IC 6-1.1-18.5).

18 (2) For deposit in a special fund or allocation fund created under
 19 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and
 20 IC 36-7-30 to provide funding for additional credits for property
 21 tax replacement in property tax increment allocation areas or debt
 22 repayment.

23 (3) To fund sewer and water projects, including storm water
 24 management projects.

25 (4) For police and fire pensions.

26 (5) To carry out any governmental purpose for which the money
 27 is appropriated by the fiscal body of the city, town, or county.
 28 Money used under this subdivision does not reduce the property
 29 tax levy of the city, town, or county for a particular year or reduce
 30 the maximum levy of the city, town, or county under
 31 IC 6-1.1-18.5.

32 (g) This subsection does not apply to an entity receiving money
 33 under IC 4-33-12-6(c). Before September 15 of each year, the treasurer
 34 of state shall determine the total amount of money distributed to an
 35 entity under IC 4-33-12-6 during the preceding state fiscal year. If the
 36 treasurer of state determines that the total amount of money distributed
 37 to an entity under IC 4-33-12-6 during the preceding state fiscal year
 38 was less than the entity's base year revenue (as determined under
 39 IC 4-33-12-6), the treasurer of state shall make a supplemental
 40 distribution to the entity from taxes collected under this chapter and
 41 deposited into the property tax replacement fund. *Except as provided*
 42 *in subsection (i), the amount of ~~the~~ an entity's supplemental*

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distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

(i) This subsection applies only to the Indiana horse racing commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).

SECTION 4. IC 4-35-8-3, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. The department shall deposit tax revenue collected under section 1 of this chapter **as follows:**

(1) In the property tax reduction trust fund for taxes collected before July 1, 2009.

(2) In the LIFE scholarship fund for taxes collected after June 30, 2009.

SECTION 5. IC 4-35-8-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 5. (a) The LIFE scholarship fund is established. The fund consists of:**

(1) riverboat admissions taxes deposited in the fund under IC 4-33-12-7; and

(2) slot machine wagering taxes deposited in the fund under section 3(2) of this chapter.

(b) The treasurer of state shall administer the LIFE scholarship fund.

(c) The treasurer of state shall invest the money in the LIFE

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scholarship fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the LIFE scholarship fund at the end of a state fiscal year does not revert to the state general fund.

(e) Money in the LIFE scholarship fund is annually appropriated to the state student assistance commission to provide LIFE scholarships under IC 21-12-10.

SECTION 6. IC 21-12-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 10. Indiana Lifelong Learning Incentive for Excellence (LIFE) Scholarship

Sec. 1. As used in this chapter, "academic year" means a period, typically nine (9) months, in which a full-time student is expected to complete the equivalent of at least two (2) semesters or three (3) quarters of academic work.

Sec. 2. As used in this chapter, "eligible high school" means a secondary school located in Indiana that is a:

- (1) public school; or
- (2) nonpublic school that voluntarily seeks and receives accreditation as authorized by IC 20-19-2-8.

Sec. 3. As used in this chapter, "eligible postsecondary educational institution" means a school that meets the following conditions:

- (1) Operates in Indiana as:
 - (A) a state educational institution;
 - (B) a nonprofit private educational institution; or
 - (C) a for-profit private proprietary educational institution.
- (2) Provides an organized program of postsecondary education leading to:
 - (A) a technical certificate;
 - (B) a nursing diploma;
 - (C) an associate degree; or
 - (D) a baccalaureate degree.
- (3) Is accredited by:
 - (A) a recognized national or regional accrediting agency;
 - (B) the Indiana commission on proprietary education; or
 - (C) the Indiana state board of nursing.

Sec. 4. As used in this chapter, "freshman student" means a student at a postsecondary educational institution who has attempted less than forty-six (46) quarter hours or less than thirty-one (31) semester hours.

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1 Sec. 5. As used in this chapter, "full-time student" means a
2 matriculated student attending a postsecondary educational
3 institution and enrolled for the equivalent of at least twelve (12)
4 quarter or semester hours.

5 Sec. 6. As used in this chapter, "grade point average" means the
6 numbered grade average calculated using a 4.0 scale or the
7 equivalent.

8 Sec. 7. As used in this chapter, "LIFE scholarship" means a
9 lifelong learning incentive for excellence scholarship for
10 postsecondary education awarded under this chapter.

11 Sec. 8. As used in this chapter, "matriculated status" means
12 being recognized as a student in a defined program of study
13 leading to a degree, diploma, or certificate at a postsecondary
14 educational institution.

15 Sec. 9. As used in this chapter, "program" refers to the LIFE
16 scholarship program.

17 Sec. 10. As used in this chapter, "quarter hours" includes each
18 quarter hour attempted, whether remedial or for credit toward a
19 degree. However, the term does not include a quarter hour
20 attempted or completed before graduating from high school or
21 earning a general educational development (GED) equivalency
22 diploma.

23 Sec. 11. As used in this chapter, "semester hours" includes each
24 semester hour attempted, whether remedial or for credit toward
25 a degree. However, the term does not include a semester hour
26 attempted before graduating from high school or earning a general
27 educational development (GED) equivalency diploma.

28 Sec. 12. As used in this chapter, "sophomore student" means a
29 student at a postsecondary educational institution who has
30 attempted at least forty-six (46) quarter hours but less than
31 ninety-one (91) quarter hours or at least thirty-one (31) semester
32 hours but less than sixty-one (61) semester hours.

33 Sec. 13. As used in this chapter, "Title IV" refers to Title IV of
34 the federal Higher Education Act of 1965, as amended, 20 U.S.C.
35 1070 et seq. *January 14 Public Policy.*

36 Sec. 14. The lifelong learning incentive for excellence (LIFE)
37 scholarship program is established.

38 Sec. 15. The commission shall do the following:

39 (1) Administer the program.

40 (2) Subject to the provisions of this chapter, determine
41 eligibility, residency, policy issues, and definitions for the
42 program.

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(3) Identify individuals who are eligible to participate in the program.

(4) Pay a student's scholarship amount directly to the eligible postsecondary educational institution that a scholarship recipient attends.

(5) Subject to the amounts appropriated by the general assembly for LIFE scholarships and to the requirements of this chapter, determine the scholarship amount for each scholarship recipient.

(6) Adopt rules under IC 4-22-2 to administer the program.

Sec. 16. Subject to the amount appropriated by the general assembly for purposes of this chapter, the commission shall provide a LIFE scholarship to eligible students in the following amounts:

(1) For a student who attends an eligible postsecondary educational institution that is a state educational institution, an amount that equals the sum of the following for any academic year:

(A) The student's actual tuition.

(B) The student's actual approved mandatory fees that are charged by the student's postsecondary educational institution to every student enrolled in the institution, regardless of a student's program of study.

(2) For a student who attends an eligible postsecondary educational institution that is a nonprofit private institution, an amount that equals the sum of the following for any academic year:

(A) An amount equal to the average tuition at the four (4) postsecondary state educational institutions having the highest tuition.

(B) An amount equal to the average mandatory fees that are charged at the state educational institutions described in clause (A) to every student enrolled in the institution, regardless of a student's program of study.

(3) For a student who attends an eligible postsecondary educational institution that is a for-profit private proprietary institution, an amount that equals the sum of the following for any academic year:

(A) An amount equal to the tuition at Ivy Tech Community College.

(B) An amount equal to the average mandatory fees that are charged at Ivy Tech Community College to every

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1 student enrolled in Ivy Tech Community College,
2 regardless of a student's program of study.

3 **Sec. 17. In addition to the other requirements of this chapter, a**
4 **student must meet the following requirements to be eligible to**
5 **receive a LIFE scholarship under this chapter:**

6 (1) Be a United States citizen or a permanent resident alien of
7 the United States who meets the definition of an eligible
8 noncitizen under federal Title IV requirements.

9 (2) Be a legal resident of Indiana as determined by the
10 commission.

11 (3) Comply with United States Selective Service System
12 requirements for registration, if such requirements are
13 applicable to the student.

14 (4) Not be in default on a federal Title IV educational loan or
15 a state of Indiana educational loan. However, a student who
16 is otherwise eligible and who fully repays a defaulted loan is
17 eligible to obtain a scholarship or grant for future academic
18 terms, but not retroactively.

19 (5) Not owe a refund on a federal Title IV student financial
20 aid program or an Indiana student financial aid program.
21 However, a student who is otherwise eligible and who fully
22 repays an owed refund is eligible to obtain a scholarship or
23 grant for future academic terms, but not retroactively.

24 (6) Not be convicted of a felony offense involving marijuana,
25 a controlled substance, or a dangerous drug. Ineligibility
26 under this subdivision extends from the date of conviction to
27 the completion of the next academic term following the date
28 of conviction.

29 (7) Not be incarcerated.

30 (8) Meet each qualification in this chapter relating to the
31 relevant scholarship applicable to the student.

32 **Sec. 18. To be eligible for a LIFE scholarship, an entering**
33 **freshman student seeking an associate or baccalaureate degree at**
34 **an eligible postsecondary educational institution must meet the**
35 **following requirements:**

36 (1) Meet achievement standards by doing one (1) of the
37 following:

38 (A) Graduating from an eligible high school.

39 (B) Receiving an Indiana general educational development
40 (GED) diploma.

41 (C) Earning a cumulative grade point average of at least
42 3.0 at an eligible postsecondary educational institution at

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the end of the quarter or semester in which the student has attempted forty-five (45) quarter hours or thirty (30) semester hours and completing a homeschool instruction program that a parent establishes, organizes, and directs for the education of the parent's child. However, a student described in this clause is eligible to receive only a retroactive LIFE scholarship for the student's freshman year to be paid directly to the student's parent at the end of the student's freshman year.

(D) Graduating from a high school that is not an eligible high school and earning a cumulative grade point average of at least 3.0 at an eligible postsecondary educational institution at the end of the quarter or semester in which the student has attempted forty-five (45) quarter hours or thirty (30) semester hours. However, a student described in this clause is eligible to receive only a retroactive LIFE scholarship for the student's freshman year to be paid to the student's parent at the end of the student's freshman year.

(2) Meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status.

Sec. 19. To be eligible for a LIFE scholarship, a sophomore student seeking an associate or baccalaureate degree at an eligible postsecondary educational institution must do the following:

(1) Meet achievement standards by meeting the following criteria:

(A) Earn a cumulative grade point average of at least 3.0 or the equivalent at a postsecondary educational institution at the end of the quarter or semester in which the student has attempted forty-five (45) quarter hours or thirty (30) semester hours.

(B) Maintain satisfactory academic progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the postsecondary educational institution in which the student is enrolled.

(2) Meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status or, in the case of an otherwise eligible student who is classified as a professional level student rather than an undergraduate student, being accepted into the professional level program of study before receiving a baccalaureate

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1 degree.

2 Sec. 20. For a student eligible for a LIFE scholarship under this
3 chapter, no minimum number of hours of enrollment is required.
4 However, the commission may adjust the amount of the
5 scholarship to reflect the number of hours of enrollment.

6 Sec. 21. A student who fails to maintain a cumulative grade
7 point average of at least 3.0 or the equivalent at the end of the
8 quarter or semester in which the student has attempted forty-five
9 (45) quarter hours or thirty (30) semester hours but who regains
10 a cumulative grade point average of at least 3.0 at the end of the
11 quarter or semester in which the student has attempted ninety (90)
12 quarter hours or sixty (60) semester hours and who is otherwise
13 eligible may requalify for a LIFE scholarship.

14 Sec. 22. A student may receive a LIFE scholarship until the
15 student attempts at any postsecondary educational institution a
16 total of ninety-one (91) quarter hours or sixty-one (61) semester
17 hours.

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